DOCUMENT RESUME

ED 432 327 JC 990 453

TITLE	Report on Collaborative Facilities Projects.
INSTITUTION	California Community Colleges, Sacramento. Office of the Chancellor.
PUB DATE	1999-02-23
NOTE	39p.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	Budgeting; *Community Colleges; *Educational Facilities; Educational Finance; *Educational Policy; Facility Improvement; Financial Support; *Institutional Cooperation; *Partnerships in Education; Program Budgeting; Program Evaluation; State Aid; Two Year Colleges
IDENTIFIERS	*California Community Colleges

ABSTRACT

California's community colleges develop their own requests in concert with their district five-year master plan. They then submit those requests to the State Chancellor's Office for review. This document discusses the current process of submitting proposals for collaborative facilities projects, and outlines and discusses five recommendations for changing current procedures. The first recommendation is that collaborative facilities projects should compete in the existing California Community Colleges approval process. Second, collaborative facilities projects must have a separate funding source or additional funding from the regular capital outlay program. Third, collaborative facilities projects must contain a 50 percent local match to the state investment in the project cost, with the proposing community college district providing at least 20 percent of the local match amount. The fourth recommendation is that collaborative facilities projects should have the flexibility to plan for a greater percentage capacity load than provided through current General Obligation bond funding resources. The last recommendation is that collaborative facilities projects should be considered as a pilot program for lump sum funding by the legislature. This document has three appendices, which contain the California State University's 1994 policy and procedures on collaborative facilities projects, acknowledgments, and 12 references. (TGO)

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ED 432 327

CALIFORNIA COMMUNITY COLLEGES

REPORT ON COLLABORATIVE FACILITIES PROJECTS

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EXECUTIVE SUMMARY

Issue

This report on collaborative facilities projects is in response to Section 71051 of the Education Code, requiring the Board of Governors to:

1. Develop an alternative process of approval for collaborative use facility projects.
2. Develop a funding mechanism for this new process and any projects approved under its authority.
3. Report to the Joint Legislative Budget Committee, and the California Postsecondary Education Commission (CPEC) about the findings, along with any proposed legislation needed for implementation.

Background

California Community Colleges capital outlay demands of the 106 colleges in 71 districts far exceed the available state resources to address them. This situation is compounded by the state's critical need for an increasingly educated and trained workforce as a tidal wave of some 370,000 new students enter the community college system by the year 2005.

The most recent CPEC forecast through 2005-06, calculated the annual cost to maintain the existing community college physical plant at an estimated $375 million and, to accommodate growth in baseline enrollment, $125 million per year. Furthermore, this total calculation of $500 million per year assumes no costs for site acquisition on at least five to ten new campuses or centers housing average enrollments of 2,500 to 5,000 FTES students. Proposition 1A will provide about $186 million per year for four years, far short of the projected need.

Recommended Process for Collaborative Facilities

Under the current capital outlay process, community colleges develop their requests in concert with their district five-year master plan and submit those requests to the state Chancellor's Office for review.

Initial concepts start as an IPP (Initial Project Proposal), which is a two-page brief outline of the proposed project. If the Chancellor's Office staff approves the IPP, then the district submits the FPP (Final Project Proposal), which is the fully-developed project proposal. Staff approval of the FPP places the proposal before the Board of Governors (BOG) for scope approval.

Projects are categorized according to priority criteria established by the Board. Within each major category (A, B, and C), highest priority goes to completion of previously funded projects. Although these categories are currently undergoing review through consultation for possible changes, at present, Category A is to activate existing space, Category B is for new academic or administrative space, and Category C is to complete the campus. Projects must meet specified criteria before the BOG can approve their scope. Following approval by the Governor, Legislature, and the voters, state General Obligation bonds are issued and are retired through appropriations from the state General Fund.

After careful study, this report recommends that the collaborative facilities process to be a subset or subprocess in the existing capital outlay approval process under the BOG's facility criteria. The significant advantage of this approach is that the strong state interest in the proper use of state funds would be maintained, ensuring accountability. Through a BOG review and approval process, a coordinated system approach could be implemented, ensuring efficient resource use in meeting state-determined priorities and minimizing the duplication of facilities—the core purpose in any collaborative facilities program.

Furthermore, this report concludes that collaborative facilities projects should receive state funding independent of currently available resources and that legislative authority in the form of provisional language in the Budget Act may be necessary to implement some of the report's recommendations.

SUMMARY OF REPORT RECOMMENDATIONS:

- Collaborative facilities projects should compete in the existing California Community Colleges approval process.
- Collaborative facilities projects must have a separate funding source or additional funding from the regular capital outlay program.
- Collaborative facilities projects must contain a 50 percent local match to the state investment in the project cost. Each partner with the proposing community college district shall provide at least 20 percent of the local match amount.
- Collaborative facilities projects should have the flexibility to plan for a greater percentage capacity load than provided through current General Obligation bond funding resources.
- Collaborative facilities projects should be considered as a pilot program for lump-sum funding by the Legislature. This process is currently afforded to projects under the California State University system.

COLLABORATIVE FACILITIES PROJECTS

I. Background

Historical Approach

California Community Colleges capital outlay demands of 106 colleges in 71 districts far exceed the available state resources to address them. This situation is compounded by the state's critical need for an increasingly educated and trained workforce as a tidal wave of some 370,000 new students enter the community college system in the next several years. Under the current capital process, colleges develop their requests in concert with their district master plan and submit those requests to the state Chancellor's Office for review. Projects must meet specified criteria before their scope can be approved by the Board of Governors (BOG). State general Obligation Bonds are issued following voter approval and are retired through appropriations from the state General Fund.

Currently, a backlog exists of over $1.8 billion in BOG-approved proposals and over $4 billion in identified projects in the most recent five-year statewide plan. This backlog includes projects submitted by the districts and approved by the Board up to five years ago. Funding inadequacies, technological advances, and changes in either district or state priorities have made many of the projects on the backlog list outdated.

Past bond acts have provided community colleges with $150 million per year for capital outlay projects. Proposition 1A, recently adopted by voters on the November 1998 ballot, contained $9.2 billion for public education (elementary, secondary and higher education) facilities projects over the next four years. Of this amount, higher education is to receive $2.5 billion or roughly $208 million a year per segment. Originally, higher education advocates had sought $250 million per segment per year, or about $3 billion. This amount is far less than the capital need projected by the California Postsecondary Education Commission (CPEC) in its Tidal Wave II assessments. Also included in the measure is a specific $165 million allocation to the three systems for construction of new campuses and small campuses with enrollments of 5,000 or less full-time equivalent students, and off-campus centers.

Assuming the traditional three-way split between public higher education segments, the current proposal would provide about $186 million per year for four years for the community colleges in traditional capital outlay funding. Also, there is an additional $55 million during the last two years of the bond for new campuses, small campuses and off-campus centers for each segment.

In *A Capacity for Growth* (1995), CPEC projected future capital costs in two ways: 1) need for on-going maintenance, renovation, remodeling, upgrading and conformity with health and safety codes unrelated to enrollment growth, and 2) need directly attributable to enrollment growth. Forecasting enrollment through 2005-06, CPEC did a trendline projection for existing baseline, as well as a low alternative if the economy goes into recession, fees go up, or other factors present themselves to dramatically affect enrollment patterns as occurred in 1992-93. The most recent CPEC forecast predicts a need to find space for over 400,000 community college students. This report calculated the annual cost to maintain the existing physical plant at an estimated $375 million and, to accommodate growth in baseline enrollment, CPEC staff arrived at $125 million per year through 2005-06. Thus, according to CPEC staff, the total need for community colleges is $500 million per year. This calculation assumes no costs for site acquisition on at least five to ten new campuses or centers housing average enrollments of 2,500 to 5,000 FTE students.

The current capital outlay picture for community colleges represents a huge project backlog in the statewide facilities master plan. Furthermore, while passage of Proposition 1A was very helpful, the net yield in bond money covers only half of the timeframe for foreseeable need, and, in funding resources, meets less than 50 percent of the needed expenditure.

Innovative Approach

The 1960 Master Plan for Higher Education had offered every eligible Californian the opportunity to a state-funded college or university education. Constraints on tax revenue, the phenomenal caseload growth in other state-funded programs and escalating student enrollment projections put this guarantee under threat, sending higher education in various directions searching for new or additional sources of support.

To restore the Master Plan financial underpinning, the state's higher education segments were asked to collaborate with public and private agencies to share resources and take advantage of economies of scale in the purchase of expensive and rapidly evolving new technologies. In *The Challenge of the Century*, CPEC recommends improved regional and statewide cooperation and collaboration, including efforts to share facilities and other resources. In "Cutting the Cost of New Community College Facilities: Joint Use Strategies" (June 1992), the Commission on Innovation examined facility joint use partnerships in Colorado, Illinois and Florida in the effort to maintain open and equitable access despite the "dual pressures" of explosive growth and limited budgets.

All of these undertakings sought new and innovative ways to close the funding gap between projected higher education capital outlay needs and the state funds available.

Study on Collaborative Facility Approach

Pursuant to expanding new approaches to meet future facility needs, Section 71051 of the Education Code requires the BOG to study new approaches in collaboration on facilities projects and report findings, with any recommended collaborative process to be implemented through legislation.

Specifically, this statute directs the BOG to:

- Develop an alternative process of approval for collaborative use facility projects.
- Develop a funding mechanism for this new process and any projects approved under its authority; and,
- Report to the Joint legislative Budget committee and the California Postsecondary Education Commission about the findings, along with any proposed legislation needed for implementation.

As a matter of legislative intent, certain criteria may receive consideration in the development of a new process:

- The process should adhere to current BOG capital construction requirements;
- The process should consider flexibility while adhering to the established capital outlay process;
- The process should consider priority approval for collaborative projects that encourage public-private partnerships, or maximize state investment;
- The process should consider priority approval for collaborative projects in obviously underserved areas;
- The process should give priority approval to projects that use technology to expand existing resources;
- The process should consider the singular uniqueness of a project and to the critical state interest served by the project;
- The process should consider priority approval for collaborative projects that address critical state or regional economic development and workforce training needs.

This report will examine these issues and propose recommendations to meet facility needs from a collaborative funding process.

II. Current Capital Outlay Process for California Community Colleges

Scope Approval Process

The capital outlay process for California Community Colleges has multiple stages. The process begins with an Initial Project Proposal (IPP), which is a two-page concept paper submitted by community college districts to the state Chancellor's Office by February 1 of the fiscal year. After evaluating the IPPs, the Chancellor's Office notifies the districts of those IPPs to develop into a Final Project Proposal (FPP), which is a complete proposal with justification and budget detail. These FPPs are due the following February for possible submission to the BOG for project scope approval, which means it meets the BOG criteria for prioritized capital outlay projects and may be eligible for funding.

In the FPP, each district is expected to discuss the relationship of the proposed project with the district's comprehensive educational and facility master plans. Districts are also expected to explain why there is no viable alternative other than to support the proposed project. Concurrent to FPP review, the Chancellor's Office also reviews each district's five-year capital outlay plan and BOG previously approved projects.

Staff then prepares a preliminary list of "new start" (versus continuing) projects eligible for scope approval by BOG. This list is submitted to the Board for review and comment at its July meeting. After enactment of the State Budget and after districts provide refined project information, the Chancellor's Office analyzes the preliminary list of scope-approved projects using BOG-established priority criteria. Following this review, the final list is placed as an action item on the BOG September agenda for project scope approval. The proposed capital outlay plan for the next fiscal year is prepared from the project scope approval list. Upon BOG approval, the plan is submitted to the state Department of Finance by August 15 for consideration in the upcoming Governor's Budget, and appears as an action item on the BOG September agenda.

Projects are categorized according to priority criteria established by the Board. Within each major category (A, B, and C), highest priority goes to completion of previously funded projects. Life-safety projects receive the highest priority (A1), with requests to complete a project (A2) following closely in rank order consideration. The next preference is for infrastructure projects when failure or loss would otherwise result (A3).

The next category is for planning studies (B1), and new or remodeled instructionally related projects (B2). Category B2 projects are prioritized based on the college's space deficiency (e.g., capacity) to enrollment growth (load), or "capacity-to-load" ratio.

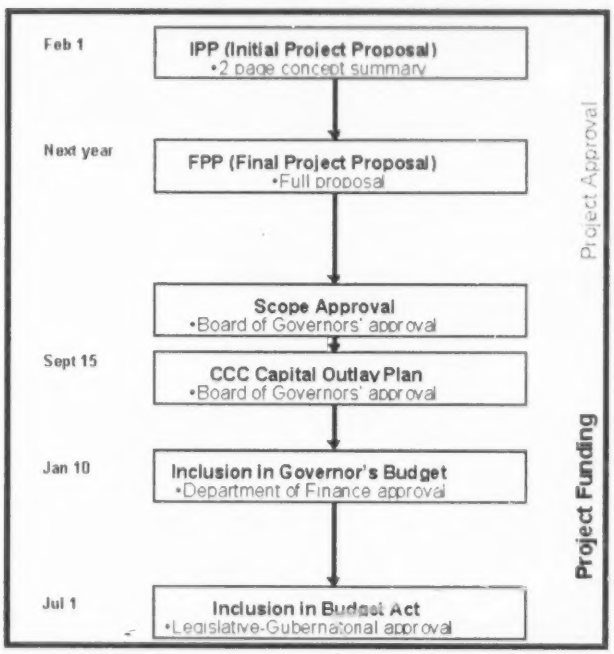
The last category (c) consists of capital projects such as new child development, theater arts, and physical education facilities projects and capital projects that promote a complete campus concept.

Current BOG criteria provide that eighty percent of the funds remaining after completion of previously-funded and Category A projects shall be expended on Category B2 "new start" projects and the other twenty percent on Category C new start projects. Projects are approved according to BOG criteria in a single phase or a combination of phase: acquisition of the real property (signified by the abbreviation "a"), studies/master planning and preliminary plans ("p"), working drawings ("w"), construction ("c"), and equipment ("e"). The Facilities Task Force, an advisory group of district facilities planners and chief business officers, periodically proposes revisions to these criteria to incorporate new factors such as temporary structures and technology renovations.

The Chancellor's Office reviews the FPPs, the district five-year capital outlay plans and BOG previously approved projects. The eligible "new start" (versus continuing) projects are prioritized by BOG criteria and presented to the Board annually for review and approval of project scope. At most, this list includes one qualified project from Category B2 and one project from Category C1 per authorized site.

CALIFORNIA COMMUNITY COLLEGES:

State Capital Outlay Approval & Funding Process



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Funding Process

The annual capital outlay plan is submitted to the Department of Finance by August 15 for consideration of funding in the next year's Governor's Budget. Many of the proposed projects are carryovers to be funded in the next fiscal year or reflect a Category A priority. As individual project costs on average are increasing from $10 to $15 million per building to facilities proposed at a cost of $25 to $40 million, annual bonding capacity is quickly exhausted.

All Category B projects are prioritized for funding on the basis of existing facility capacity to current/projected enrollment load ("capacity-to-load" ratio). All Category C projects are ranked for funding according to two factors: 1) if the proposed project does not add to or replace an existing facility of similar use on the campus, and 2) by the date that the college was established.

For funding consideration only, one scope-approved project from Category B or Category C per authorized site is proposed. This process ensures that only one "new start" project per year is funded per authorized site. If more than one scope-approved project is eligible from Category B or C per site, the highest priority project from the district's five-year plan is proposed for funding.

Funding of all projects depends on the Governor's priorities, the availability of money to meet those needs, and the willingness of the Legislature to concur. The Department of Finance and legislative committees scrutinize all projects to ensure they fit within current priorities to meet seismic, life-safety, vital infrastructure, major code deficiencies, and increased instructional access requirements.

An appeals process is in place for a district if it believes its project was omitted in error from either the scope approval or proposed funding lists. The BOG encourages a system approach to capital outlay funding and discourages districts from seeking legislative funding outside of the Chancellor's Office review and BOG approval process. To circumvent the process shifts decision-making away from a coordinated system with state-determined priorities, weakens the role of the community college system, and reduces accountability. These "end runs" also have the potential of bumping previously approved BOG projects if they are funded out of limited General Obligation bonds.

III. Collaborative Facilities Projects in California Community Colleges

At this time, the Chancellor's Office is developing a process for collaborative facility projects while separate innovative efforts are underway or under consideration in the California Community Colleges. Some of the potential collaborative facility projects include:

Community College A: In this large, multi-campus metropolitan district, seventy percent of campus cafeterias run a deficit because of deficient business operating strategies. To operate at a profit, Community College A has developed a proposal with private industry and in concert with campus employee unions. Popular fast food franchises will provide equipment, process training and brand identification/marketing while the campus must provide about $500,000 in needed facility upgrades to create a mall "food court" environment.

Community College District B: Through a joint powers agreement, the district has proposed a shared use "Center for Advanced Research and Technology" with local public agencies charged with providing specialized adult education and high technology workforce training development. The district has planned the project in concert with elementary-secondary education (two local K-12 school districts), as well as with another higher education institution (a California State University campus.)

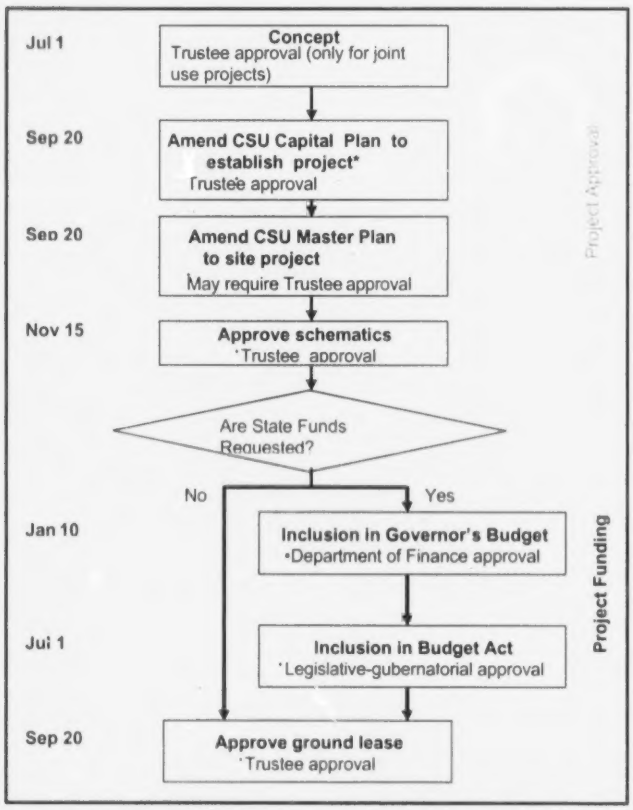
Community College District C: The district currently operates an off-campus Center in a small town or city setting of an underserved area. At the request of the district in order to expand services and access, the BOG approved two capital proposals for the center in September of 1993. Those projects were to acquire additional property adjacent to the center and then to construct a library on the property. Since approval of these projects, the district, working with the local California State University campus and the city, has cooperatively developed a proposal for a regional, joint use higher education center to be located on 100 acres of donated land near the city. This parcel came from a private 1300-acre tract, and is valued at $1.2 million. Additionally, the city has pledged $3 million toward the project construction. Under this plan, the district would relocate the Center to the new site and sell the downtown property, thus negating the need for the two previously approved capital proposals.

IV. Collaborative Facilities Projects in the California State University and the University of California

The California State University (CSU) system, Board of Trustees adopted in March 1994 a policy on the establishment of "public/private (public/public) real estate partnerships". This policy permits flexibility ("no single detailed procedure should be applied to all projects"), requires all developments or partnerships to further the educational mission of the proposing campus, and asks campuses to closely collaborate with the state Chancellor's Office in concept development and the open solicitation of potential developers.

CALIFORNIA STATE UNIVERSITY

State Capital Outlay Approval & Funding Process



*Assumes project was not approved by the Trustees as part of the campus five-year plan (usually September)

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Basic process includes:

1. Conceptual support for the project and authorization to proceed.
2. Delegation to the Chancellor of the authority to enter into agreements necessary to moving the project forward.
3. Designation of what actions will be brought to the Board of Trustees for action (e.g., physical master plan changes, approval of a specific development agreement or similar document prior to final commitment to a developer, and schematic plans.)

Some recent examples of innovative collaborative projects in the CSU system are:

San Jose State University (SJSU): The university has developed a proposal to build a joint-use library facility on the SJSU campus in collaboration with the San Jose Redevelopment Agency and the City of San Jose. The building will serve as the university's library as well as the main branch for the San Jose Public Library. Both SJSU and the San Jose city library have outgrown their current facilities, and lack adequate space for patron seating, growing library collections, and computing and networking facilities. Significant savings will result from sharing space and staff where there is overlap between the two libraries operations, collections and services. Funding for the construction of the building and related project costs will come from the City of San Jose Redevelopment Agency ($70 million), CSU state General Obligation bond funds ($86 million), the CSU support budget ($5 million), and from private donor sources raised by SJSU ($10 million.) This joint project saves SJSU nearly $30 million, as the university had set in its facilities master plan the replacement costs for the library at some $116 million.

California Maritime Academy (CMA): In partnership with the United States Coast Guard and the California Department of Fish and Game, CMA has developed a plan to build on campus a $7.7 million marine resources building. This building will allow the parties to share expensive environmental testing laboratories and will permit greater collaboration of regulatory research/teaching activities through the close proximity of the agencies.

Sacramento State University (CSUS): In partnership with the United States Geological Survey Service, CSUS has built a $9.6 million science building to share offices and laboratories. Both agencies benefit from joint use of expensive laboratory equipment and refinement of lab technique. Further applications to the research and teaching mission of CSUS are numerous, as well as close proximity collaboration.

About 10 percent, or 2 projects out of a total of 26, of CSU's Fiscal Year 1999-2000 capital outlay program consists of collaborative efforts with either a public or private entity.

At the University of California (UC), the Board of Regents recognized in the wake of the 1990-94 recession that its national prominence in research could generate income for the university in technology transfer projects. As a result, the Regents adopted a policy to actively encourage revenue from patents and royalties, as well as to set up collaborative funding arrangement to share facilities and research with the private sector.

Two of the more interesting of these efforts at the campus level are:

University of California at Berkeley: UC Berkeley has reached a collaborative agreement with the Novartis Agribusiness Discovery Institute, a new San Diego subsidiary of a research foundation sponsored by the Swiss biotechnology and pharmaceutical firm Novartis. Under this public-private partnership with Berkeley's Department of Plant and Microbial Biology, the university receives $5 million per year for five years for research grants and $25 million to build a microbiology laboratory. Also, the university will have access to stores of genetic sequence information owned by Novartis; this information is prohibitively expensive for the university to compile but is necessary for cutting-edge biotechnology research. In exchange, Novartis will have the first right to negotiate for patent rights on any discovery under the auspices of the agreement.

University of California at Davis: UC Davis has plans to develop with Monsanto a collaborative agreement to locate a Monsanto research facility on or near the campus, as well as establish a revenue generating agreement for campus-wide company-sponsored research projects. The model is the UC-Berkeley-Novartis agreement, but instead of a single department UC-Davis wants to involve the entire campus. Monsanto, a world leader in biotechnology with $7.5 billion per year in company revenues, has a strong interest in joint efforts to explore new findings in genetically altered plant life. Four identified areas of potential academic and research collaboration include plant biology, nutrition (Monsanto is the parent company for NutraSweet), animal health, and genomics and "bioinformatics."

V. Options for an Approval Process for Collaborative Facilities Projects in the California Community Colleges

In California higher education, many collaborative facility projects have been proposed. Some are informal while others are formal and use existing capital outlay approval processes within the respective public systems of higher education.

This section of the report will examine what aspects of an approval process would work for collaborative facilities projects.

Policy Considerations:

- What is the BOG trying to achieve programmatically through a collaborative facilities process?
- What precise, quantifiable elements make a project innovative or collaborative?
- What steps in the current BOG capital outlay process could be eliminated or changed for an alternative collaborative projects approval process?
- What steps in the current capital outlay process need to be preserved? Is the current IPP/FPP process too cumbersome? How do you get an appropriately sound level of accountability yet, reduce overregulation to spark innovation?
- Should there be priority criteria or categories in a collaborative facilities approval process? Should there be flexibility as to the project scope or nature? Should the project relate to the educational mission of the campus?
- Should collaborative facilities projects be restricted to equipment and infrastructure or should these funds be available for items other than equipment and infrastructure?
- Should there be a capacity-to-load requirement or component?

OPTION A: USE SOME VARIATION OF EXISTING PROCESS

Option A would require the collaborative facilities process to be a subset or subprocess in the existing capital outlay approval process under the Board of Governors. The advantage would be that state interests in the proper use of state funds would be maintained ensuring accountability, and, through Board of Governors' review, a coordinated system approach could be maintained ensuring efficient resource use in meeting state-determined priorities. Furthermore, if the alternative collaborative facilities approach were allowed to compete against the standard capital outlay approach, the incentive to districts would be to conceive collaborative projects and the result could be a greater stretching of scarce resources and accomplish a greater economy of scale. The disadvantage would be that, if there are not enough resources to meet demand and the cost of individual projects is escalating, collaborative facilities projects could potentially "crowd out" or "bump" projects proposed under the traditional capital outlay approach, perhaps distorting the process.

Under this scenario, the district would submit a collaborative facilities project proposal under the existing IPP and FPP process, but would include the extra documentation for memoranda of understanding (MOUs), including detail on partner contribution or contributions and other aspects of the proposal.

Existing priority categories--Category A (activate existing space), Category B (new academic or administrative space), and Category C (other and/or complete the campus)-- could be continued and collaborative facilities projects could compete against projects proposed under the traditional approach.

A variation of Option A would give collaborative facilities project proposals priority consideration within the existing categories, perhaps because of the matching requirement, as a matter of providing a greater incentive for such projects, or because of the added documentation of MOUs and other requirements.

Another variation would be to change the existing BOG approved facility categories. Starting at the end of the current and already-approved plan, Category C could be changed from projects designed to complete the campus to strictly collaborative facilities projects. Or, a new category could be created, Category D. The problem with this approach, as outlined above, is that there currently are insufficient resources and individual project costs are rising. While this approach may encourage districts to conceive collaborative facilities projects, rearranging inadequate resources, or perhaps worse yet, adding to demand already unmet, will only exacerbate the resource gap.

Another variation would be to change or streamline the IPP and FPP process. Since the district would be required to document MOUs, matching funds and provide other information not currently required. The advantage or incentive would be to perhaps reduce the administrative or regulatory burden on the districts. The disadvantage, however, is that proper state oversight of the projects could be jeopardized.

Perhaps the most effective way to streamline the current process is to make it "paperless" through the electronic submission of the IPP and FPP. The advent of design software such as AutoCad and Arris allows districts to submit their project requests via e-mail and greatly reduce resources required for submission of the IPP/FPP under the paper submission approach.

The argument against eliminating any part of the current two-step community college approval process for state capital outlay review is, however, strong. Compared to the approval process for the CSU system, the community colleges have less administrative steps, while retaining the minimum state-level review to ensure accountability.

Under the regular CSU capital outlay review, the Chancellor's Office staff approves the initial concept. CSU staff and CSU Board of Trustees then propose approval of the final project proposal by amending the statewide five-year Master Plan and establishing the collaborative facilities project. Staff and Trustee approval of schematics (preliminary plans and working drawings) is required as a third step. The staff and Trustee approval is also required to approve the ground lease. The collaborative facilities projects proposed in the CSU system suggests, additional Trustee approval is required for the initial concept.

There is, however, an aspect of the CSU approval process that may streamline the current community college approach. Instead of preliminary plans and working drawing approval one year and construction funds the following year, an approval and funding process could be created which would permit approval of all three at the same review juncture. The advantage of this is that it would allow project managers to better plan the facility from conception to construction, and projects could conceivably be built in a shorter timeframe. The disadvantage is that any delays or project cost overruns would have to come out of the approved budget, resulting in a smaller or scaled down facility to fit the budget.

OPTION B: CREATE A SEPARATE APPROVAL AND FUNDING PROCESS

Option B would create a separate approval and funding process for collaborative facilities projects from the current capital outlay process. The advantage of this approach would be to create a high-profile incentive to districts to improve community-wide planning and collaborate on resources with other public and private organizations. Also, this approach would not drain resources from already-approved projects. If started as even a modest pilot program it could serve as a change agent to the current process if success warrants.

Under this option and as a separate program that could be touted as a pilot program, the current IPP and FPP process could be streamlined to a single proposal, given that the district must prove the MOU documentation and meet other criteria to qualify as a collaborative facilities project. The strong case against this approach, however, is that current best practice for state accountability argues for at least an initial concept review and a final proposal approval by a responsible entity if expenditure of state funds is involved. It is questionable if the Department of Finance, Legislative Analyst, or the Public Works Board will approve any investment of state capital resources without the accountability of a responsible state agency.

Since Option B would be a pilot process separate from the main capital outlay program, some element could be introduced which would provide the district with a cost containment incentive. In private industry, project costs are broken into cost centers or codes divided into unit costs. Cost analysis would then be done by the day or week and comparisons done to unit costs across codes and over time. The object is to tightly control costs to meet or come in under budget. Under a collaborative facilities program, a separate reserve could be held from the approval process to reward a district that came in under budget on a given project.

Another variation would be to set up a mechanism to encourage community colleges to collaborate with public school districts on collaborative facilities projects. Nearly 1,000 unified school districts in California are desperately trying to serve a burgeoning school population. K-12's $6.7 billion from Proposition 1A would seem a good fit for the 71 community college districts to collaborate on joint needs in the community and region.

Under Proposition 203 (the school bond proposal prior to Proposition 1A), $25 million was allocated for "joint use facilities." Under this authorization, the State Allocation Board set up a challenge grant program. Using a lottery method, because of the limited funding, 37 projects were funded at a maximum level of $1 million per project. Projects were limited to library, gymnasium, or "multi-

purpose" facilities. Prospective partners were limited to entities statutorily responsible for providing services related to the type of facility under consideration. Therefore, a gym project likely had a city or county department of parks or recreation as the joint use partner, and the process resulted in city or county governments as the facility collaborator.

No community college or district received any of the funds available for "joint use." Whether this was because there was no statutory mechanism under the State Allocation Board to permit community college participation or not, the experience did not permit collaboration between the systems.

There does not seem to be much record of unified school districts collaborating with community college districts on local bond issues either. The one exception is the San Francisco Unified School District and the San Francisco Community College District. Some attribute this success to the unique nature of government in San Francisco: not only are the city and county contiguous, but the school district and the community college district are as well. Many believe that this high level of local government integration is the critical factor in the success of the joint K-14 local bond offering in San Francisco.

Another avenue might be the school facility improvement district (SFID) authorized by SB 1544 (1996) [Education Code Section 15300-15425.] Much like a Mello-Roos district for housing and commercial development projects, this authority allows community colleges and the school district to form a special district within its boundaries to build facilities through floating a local general obligation bond. Only seven attempts to form SFIDs have occurred (none by community college districts), with San Ysidro Unified and Folsom-Cordova Unified School Districts successfully passing a local bond. If the current focus by Governor Davis on K-12 reform results in the statutory requirement for local school bonds being lowered to a simple majority, this route could become a very viable mechanism for community college districts to join SFIDs and obtain local match funding for a collaborative facilities approach.

The articulation opportunities of a collaborative approach with K-12 could prove very beneficial. If, for example, a school district and community college using the SFID approach planned for a joint use facility housing instruction for students in grades 9 through community college, greater articulation on School-to-Work and School-to-Career programs could take place, as well as improving transfer and college-going rates. Remediation costs and incidence could be reduced and local businesses could be better involved in the educational program, offering better apprentice-training programs and technology sharing. K-12 and community college faculties could better interact on teacher preparation programs. Lastly, an integrated facility could have broader appeal to the local community in bond measures.

OPTION C: DECENTRALIZE THE APPROVAL PROCESS

Under the aegis of a pilot program, Option C would entail the Board of Governors providing each district, either under formula or by challenge grant, with an allocation to conduct collaborative facilities projects. The district would then determine which project to fund. If capital outlay financial resources are limited, funding could be restricted to just the preliminary plans and working drawing stage. To obtain funding for construction and/or equipment, the district would then apply through the traditional state process. After a date certain announced and negotiated in advance, all projects in the state process would be required to have a collaborative basis.

To ensure state accountability, the accreditation process could be used to review district performance. A supplement to the accreditation report could be developed which would demonstrate how the project met the collaborative facilities project criteria and how funds were expended. This approach could further help in better tying program goals to funding and budget decisions.

This approach would mirror some of the changes instituted by SB 50 (1998) to the K-12 school facilities construction program. Prior to this recent change, public school construction approval involved review by three entities:

- The School Facilities Planning Division (SFPD) of the State Department of Education;
- The Office of the State Architect (OSA); and,
- The State Allocation Board (SAB) with its staff, the Office of Public School Construction under the state Department of General Services.

New school construction and repair or modernization was tightly controlled: site acquisition, preliminary plans and working drawings required SFPD approval while the OSA checked plans in accord with the Field Act. Funding allocations went through SAB.

Critics complained the process involved too many parties and was too complex, leading to the enactment of SB 50. A 1988 Price-Waterhouse study of the then school facilities approval process underscored this impression. According to this study, the process had up to 54 steps, and over 90 different forms and documents were required to address all the different requirements, options and contingencies.

Under SB 50, the control or accountability is predominantly local with the school district calculating a five-year projection on its "unhoused" student population. SAB then allocates a grant to the district. For new construction or modernization, the local district then decides, within guidelines developed by

SFPD, the size of the facility and its cost. The district must also decide if it can match the state funds of 50 percent on the cost of any land acquisition or construction, and 20 percent for modernization projects. The state provides the district with an allocated grant based upon the "unhoused" student capitation computation. For example, Education Code Section 17072.10 pegs new construction at $5,200 per K-6 student, $5,500 for each pupil in grades 7-8, and $7,200 for each student in grades 9-12, although there are significant "add-ons' for various contingencies. This grant allocation is intended to be the state share of all necessary project costs for new construction, except site acquisition, utilities, or off-site and service-site development.

SFPD has responsibility to develop site and design standards for the district to follow. SFPD assures that any construction built coincides with the district's original project proposal. SFPD also checks to assure that the site is free of toxic or hazardous waste, that student and staff safety needs are met, and that the construction is educationally appropriate (e.g., no 15,000 square foot chemistry lab.) OSA checks for life safety, structural soundness under the Field Act regulations, fire, and access for the disabled.

One advantage of this new approach is that the per pupil grant allows districts to better plan and manage a project to assure a significantly shorter construction timeframe, if proper controls are instituted. With a huge backlog of needed construction and an impending tidal wave influx of students, one of the primary objectives of the new law is to shorten the required timeframe for school construction. Under the previous system, it could take from five to seven years to build a school, whereas the projected new process will permit actual construction in about two years. Also, the 50-50 match acts as an incentive on the district to control cost overruns. In response to criticism of the previous process, this approach is streamlined with tightly defined roles for each process participant.

The disadvantage is that this process strictly minimizes state review, approval and accountability. Without some greater accountability, site selection and construction problems could emerge, and perhaps with significantly adverse results. Since this process was just instituted for K-12 facilities, it is difficult to evaluate how it will operate compared to the previous K-12 funding approach.

VI. Options for Funding for Collaborative Facilities Projects in the California Community Colleges

Different state systems of higher education fund capital outlay in various ways. Since these are one-time capital investments, states traditionally use bonds to finance construction. Sale of the state-backed instruments generates revenue to build the proposed structure or purchase the equipment, and then the bonds are retired through either General Funds from the state treasury or special revenue generated from fees charged to users of the new structure or equipment.

For public higher education, capital outlay usually is confined to a specific need for a single campus. That need is usually addressed through state and/or local tax dollars, and involves little or no collaboration with other public agencies, or private sector enterprise.

Some possibilities for funding a collaborative facilities project program are:

- **Provide state General Obligation bond authority for collaborative facilities projects beyond current Proposition 1A funding allocations based on square footage needs of FTES growth.**

- **State General Fund appropriation for collaborative facilities projects, either from reserve (Special Fund for Economic Uncertainties) or from budget surplus, as a subset of the capital outlay program for California Community Colleges.**

- **Challenge grant program to community college districts funded from either one-time Proposition 98 adjustments or surplus General Fund money.** Districts would apply for funding and Chancellor's Office staff would rank the projects according to criteria approved by BOG. BOG would award grants within the resources available.

- **Community College-K-12/UC/CSU collaboration using Proposition 1A funding**. Jointly tapping all funds available to all segments and the $186 million per year for four years available to community colleges, this approach would allow the systems to further stretch funding to accommodate need. However, even if economies of scale are jointly achieved, Proposition 1A funding is inadequate to meet the total projected needs of the systems.

- **Bonding mechanism to allow districts to borrow front-end project funds from either Pooled Money Investment Account, State Teachers Retirement System, or Public Employees Retirement System.** This approach would allow BOG and SAB to approve the projects, get start-up funding through a front-end loan to start construction, and then "pick-up" the project once traditional bond finance approval is obtained. The PMIA does not have a statutory requirement for investment income, but both retirement funds do. If the retirement funds were to float the loan, the cost of the investment return to the funds could be borne from operating funds of UC/CSU/K-12 and the districts in the first year. The cost would be split between the districts and the bond funds of each sector for the second year, and then shouldered by each sector's bond funds after the third year. The rationale for this interest mechanism is to assure that the investment fund is paid. Additionally, it allows the project to get early funding (while bearing the interest cost of the benefit in the early years). It then shifts the interest burden to the respective UC/CSU/K-12/community college bond fund sources to assure that these "already funded projects" don't get shuffled to the bottom of the deck, all at no cost to the funding agency—PMIA or the retirement funds.

- **Community college collaboration with other public systems or independent colleges and universities drawing on local redevelopment funds, certificates of participation, or community facilities district bonds (Mello-Roos).**

- **Community college collaboration with the private sector enhanced by targeted state tax credits.**

- **Provide a priority position in the current capital outlay process of community colleges and K-12/UC/CSU for joint or shared use projects between the segments.**

- **Establishment of a Collaborative Facilities Infrastructure Bank drawing on federal funding sources with a state-local match, or drawing on private investment attracted through targeted state tax credits to match federal, state and/or local funding.** The principal invested in the bank could come from one-time surplus funds from the state General Fund. Given the recent volatility in predicting state revenue related to capital gains because of the rapid stock market rise, significant funds could be available for infrastructure investment as a result of the May revise and an unexpected influx of revenue from taxpayers claiming capital gains. Also, the proposed federal budget for FFY 1999-2000 includes $145 million in federal tax breaks to spur school construction.

- **Dedication of a certain percentage of the state General Fund to state capital outlay with collaborative facilities projects as a subprogram.** The Legislative Analyst's Office issued a policy brief in December of 1998 declaring that California has underinvested in its infrastructure. The brief identified the problem as twofold: existing buildings are aging in need of repair or renovation, and growth needs for most state programs exceed resources. In the brief, the LAO called on the Legislature to adopt an "integrated statewide infrastructure plan" as a state program unto itself, and the Legislature should adopt a policy of dedicating 6 percent of the state General Fund to infrastructure investment. The advantage of this approach would be more state resources would be devoted to capital needs. The potential disadvantage is that the state budget, without new revenue enhancements or unexpected increase in revenues in the May revise, is a zero-sum game. Adding resources to capital spending will take funds from existing programs, and that could adversely impact community college funding. Proposition 98 could, however, provide a shield to program cuts.

Policy Considerations:

- Should funding for collaborative facilities projects be from Proposition 98 or non-Proposition 98?
- Should there be a project dollar/size cap?
- Should there be a cap as to the number of projects for college/district?
- Should collaborative facilities project funding be restricted to preliminary plans and working drawings, not construction and acquisition?
- Should there be a matching requirement to state funds? If so, what should it be?
- How will projects be prioritized for funding?
- Should there be "in-kind" collaboration?

VII. Recommendations and Conclusion

The report concludes with a recommended state approval process for collaborative facilities projects for California Community Colleges.

Definition of Collaborative Facilities Projects

"Collaborative facilities project" means a capital outlay project competing for state funds involving a community college district and one or more public or private entities as partners in the financing and construction of the project.

The district, and its partner or partners, shall provide a local match to the state investment of 50 percent of the cost of the project, and each partner shall provide at least 20 percent of the local match amount. This partner contribution shall be held in escrow, either as a bond or as an irrevocable letter of credit issued by a state or national bank for performance of the lease or agreement.

To be collaborative, the project shall additionally meet the following requirements, which are not in priority order:

1. **Compelling educational benefit.** The project shall address a current and compelling educational deficiency in the form of the lack, age, or inadequacy of a campus facility, and meets the educational mission of the California Community Colleges.
2. **Improve student access.** The project shall improve student access to an education in the California Community Colleges, particularly in high growth and underserved areas of the state.
3. **Cost savings.** The project shall demonstrate a significant cost savings, reduction or avoidance in capital outlay needs of the proposing community college district than would otherwise be necessary to carry out their five-year facilities master plan.

If the project demonstrates innovative uses of technology to reduce the need for traditional structures or facilities and meet the educational mission of the district, this proposal aspect shall be an enhancement in its consideration.

In recognition of the impending sizable influx of students into the community college system as a result of Tidal Wave II and with the goal to construct facilities with greater prospective capacities to house students and faculty, districts may propose collaborative facility projects that plan for a greater percent capacity load than provided through current funding resources.

In proposing a collaborative facilities project, the district shall submit written MOUs with their prospective collaboration partners clearly detailing the

individual or respective contribution in money, land or other resources from each party in the collaboration. The district must clearly demonstrate that each party is making a substantial investment in the project. The MOUs should also clearly outline what the expected benefit in the collaboration to each party will be (including the state). The effort would be to truly make the project collaborative, eliminating the instance in which one partner builds the facility agreeing to allow the other partner or partners use the facility on a limited basis with little or no effort to coordinate, partner, share or integrate programs or building use.

Recommended State Approval Process For Collaborative Facilities Projects For California Community Colleges

Given the current state capital outlay approval process contains the minimum steps to assure accountability while mirroring current best practice, the recommended alternative approval process for collaborative facilities projects should use Option A above—some variation of the existing process. Rather than a separate process, collaborative facilities proposals should be integrated into the review of all capital outlay projects for community colleges.

Since a collaborative facilities project by its very nature is going to require extensive planning with disparate parties or entities not necessary in regular project proposals, consideration should be given for advance planning. The process should be based on the current IPP-FPP model with collaborative proposals integrated into consideration with regular projects under the priority category system.

The Facilities Task Force, an advisory group of community college district facilities experts, is currently considering a re-ranking of the priority categories. This effort is in response to concern that lack of funding against overwhelming need has meant most funding goes only to Category A projects without addressing the priorities in the other categories. Under consideration is a new priority category system that would assure a certain percentage of available funding to each category with the higher priority category receiving a larger percentage of funding. Collaborative facilities projects could be ranked in the second and third categories of priorities to reflect a strong BOG interest in providing districts with an incentive to design and pursue such projects. Projects in these categories could include both capacity load proposals and those that do not necessarily increase capacity.

The current CSU "lump-sum" approval process could be implemented as a pilot program for collaborative facilities projects. CSU designed this process in consultation with the state Department of Finance and the Legislative Analyst's Office. Previously, CSU projects had required up to seven years to work through the state approval process: one year for preliminary plans, one year for working

drawings, up to three years for construction and two years to liquidate the project. The "lump-sum" or "streamline" approach reduces this to a single grant approval, not to exceed 10 percent of the amount appropriated for the project, for a four-year period before reversion. Step approvals to Department of Finance for preliminary plans, working drawings and to award construction are all eliminated in exchange for annual reports on project progress.

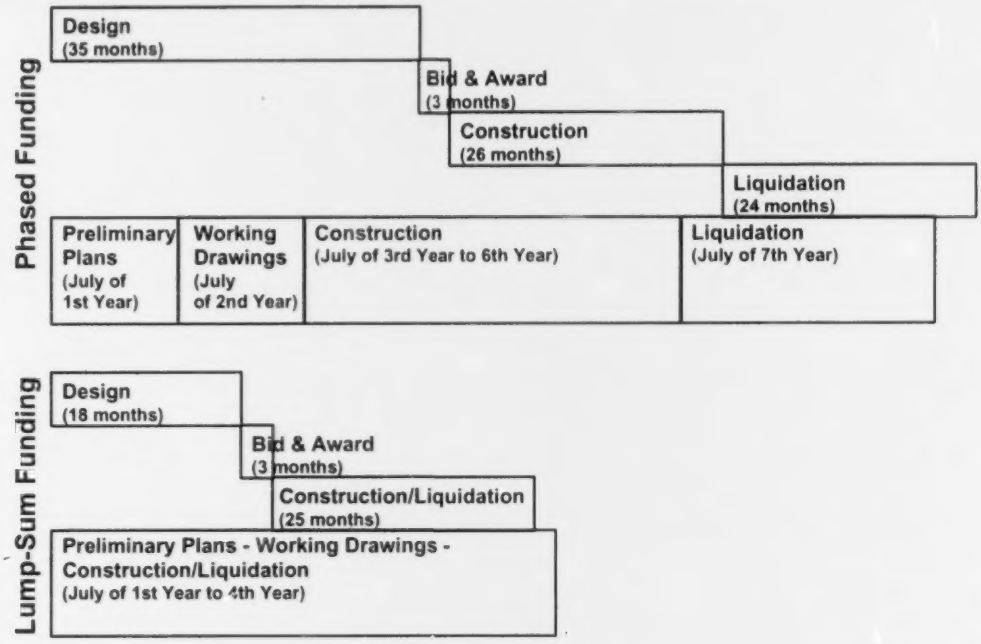
CSU implemented this approach in Fiscal Year 1997-98; in the FY 1999-2000 budget proposal over 80 percent of CSU's projects are in streamlining. Authority to implement the program is provided through provisional language in the annual state Budget Act [Item 6610-303-0574.] This authority waives the current statutory approval process contained in Government Code Section 13332.11, which requires approval of preliminary plans, working drawings, construction, and equipment purchases by the Department of Finance.

In the annual report to the Joint Legislative Budget Committee and the Department of Finance, CSU summarizes any identified savings by project and how that university used those savings, certifies that each project is proceeding within scope and on budget, and evaluates the project outcome against certain outcome performance measures.

In the FY 1999-2000 budget, CSU has included a mid-point escalator, which permits an inflation factor calculation. In the phased funding approach, CSU would have adjusted the estimated construction cost at the time of each budget request by a specified inflation factor. In the lump-sum funding approach, there is no opportunity to adjust the budget to account for inflation since the appropriation is for all phases at the front end of the process. Also, since the CSU agrees to no scope changes in exchange for the lump-sum, it can no longer seek an augmentation at award phase should inflation play a significant role in a budget shortfall. Thus, since the two historical opportunities to address inflation are not viable under lump-sum funding, CSU included a mid-point escalator in its budget year request and the Department of Finance has acceded to its inclusion in the process.

For collaborative facilities projects under the community colleges, this lump-sum funding approach could be adopted. The grant life prior to reversion would be for five years. Chancellor's Office staff could build completion steps every 12 to 24 months into the grant for release of funds and completion of project stages. The grant would be paid on a proportional load to assure the district match and prevent front-loading the funding with only state funds.

CALIFORNIA STATE UNIVERSITY: Comparison of Phased versus Lump-Sum Funding



Conclusion

This report has examined various options available to approve collaborative facilities projects. The report has outlined, even with the funding provided by Proposition 1A, that the capital outlay need in the community college system in California far exceeds the resources currently available. Specifically, the net yield in bond money currently available to the community colleges covers only half of the timeframe for foreseeable need, and, in funding resources, meets less than 50 percent of the needed expenditure. While a major feature of collaborative facilities projects will be cost savings or cost avoidance, additional state funding will be required to implement any collaborative program.

As has been illustrated above, this recommended state approval process for collaborative facilities projects integrates into the existing California Community College project approval process. Additional legislative authority will be necessary to implement the pilot program component of the recommendation relative to lump sum funding of projects. This authority could be contained in provisional language in the annual Budget Act, similar to that already provided to the California State University system.

APPENDIX I:

California State University

Approval & Funding Process for Joint Real Estate Partnerships

The attached appendix is the CSU policy and procedures, as adopted by the Board of Trustees in 1994, on collaborative facilities projects.

BRIEF

Action Item

Agenda Item 6
March 22-23, 1994

COMMITTEE ON FINANCE

PUBLIC/PRIVATE (PUBLIC/PUBLIC) ESTATE PARTNERSHIPS

Presentation By
Molly Corbett Broad
Executive Vice Chancellor

Summary
In January an information item was presented to the board regarding the establishment of public/private or public/public partnerships. Several campuses have undertaken joint development real estate projects during the past couple of years. There have been no systemwide guidelines to assist the campuses with these highly specialized projects. During 1993 Trustee Vitti chaired a group of individuals interested in ensuring that policies and procedures are in place to facilitate and encourage such partnerships. The attached policy and procedures were developed by this task force and with input from the campus presidents. The policies are presented for action at this meeting.

ITEM

2
Agenda Item 6
March 22-23,1994

COMMITTEE ON FINANCE

PUBLIC/PRIVATE (PUBLIC/PUBLIC) REAL ESTATE PARTNERSHIPS

Background
The following is the general policy and procedure to be used in the development of public/private (or public/public) real estate partnerships. The intent is to identify the process within the CSU, and in doing so, facilitate expeditious development of projects consistent with ensuring utilization of appropriate expertise.

Projects vary significantly in scope and form, and no single detailed procedure should be applied to all projects. For example, the process should be significantly less complex for development of a single faculty housing facility as compared to a multi-use development of a large amount of campus land. Thus, the following outlines only the general process to be followed. Early in the process, procedures will be developed to meet the unique needs of the campus related to the specific project. This will involve close collaboration of campus and Chancellor's Office staff, with input from professional expert in the business and legal aspects of public/private (or public/public) ventures.

Principles
The purpose of public/private (or public/public) developments on CSU land is to further the educational mission of the campus through the acquisition of physical assets, income, and/or educationally related opportunities for students and faculty.

The process of selecting a specific project and developer will be aimed at gaining the greatest benefit to the campus, and include an assessment of risks that are inherent in the project. As part of the process of seeking maximum benefit, the campus will involve appropriate means of open competitive solicitation of developers.

Roles
Campus
The campus has the primary responsibility for initiating and directing the project. From the first conceptual explorations through the eventual reversion of the project to CSU ownership of the improvements, the campus president will be the prime party responsible for taking actions to ensure success of the public/private (or public/public) project in meeting campus needs. The projects will normally require a large commitment of staff resources, especially during the period from formulation of the conceptual program through completion of construction. In most cases, the process will also include close oversight of any activities of auxiliary organizations that may be used to facilitate the project.

Chancellor's Office
The chancellor will be delegated authority to enter into agreements which will facilitate the development of the project. Additionally, the chancellor is charged with the responsibility of overseeing these projects. This role will normally involve legal, business, and physical planning review from the inception of the

project through build-out. Expert development and legal professionals will be retained and assigned to individual projects to assist the campus in ensuring that the ventures are well structured to maximize the benefit to the campus. These services may be obtained by contracting for outside services and/or hiring of qualified staff. Chancellor's Office staff will help ensure that state laws and regulations, and CSU policies and procedures, are followed.

Board of Trustees
The board will provide direction through:

1. review and approval of the conceptual program developed by the campus;
2. delegation to the chancellor to enter into agreements related to the project;
3. approval of negotiated development plans, including identification of the proposed developer, prior to execution of any agreements (by the CSU or its auxiliary organizations) that would tie up campus land and/or authorize construction of the project; and
4. physical master plan changes, schematic designs, and related documents.

Also, the board may wish to be informed of the ongoing progress of such projects either through briefing of the full board or a standing or ad hoc committee.

General Procedures

1. The first step involves the campus development of a general description of the proposed project including factors related to scope, timing, relation to the educational mission, etc. In general, the description should include the level of detail that the campus feels appropriate for the presentation to the trustees when seeking conceptual approval of the project. Chancellor's Office staff can be contacted for examples of descriptions from prior projects.

2. Campus and Chancellor's Office staff will meet to formulate a process tailored to the specific project and develop a schedule. The meeting will take place prior to the campus and/or its auxiliary organizations entering into agreements with external entities related to the proposed project. The process will cover many issues and actions, ranging from the method of obtaining appropriate competitive proposals, to the applicability of specific laws and policies, to the future steps of coordination of effort between the campus, Chancellor's Office Staff, trustees, and, if necessary, the State Department of General Services. Three areas of the Chancellor's Office will normally be involved: the office designated by the chancellor to oversee public/private developments, the Office of General Counsel, and Physical Planning and Development.

3. Prior to soliciting a developer, the campus will seek support of the trustees to proceed with the project. The agenda item will describe the project, the process of developer selection, and the timeline. Generally, the proposed resolution will include the following:

   A. Conceptual support for the project and authorization to proceed.
   B. Delegation to the chancellor of the authority to enter into agreements necessary to moving the project forward.
   C. Indication of what actions will be brought to the trustees for action (i.e., physical master plan

changes, approval of a specific development agreement or similar document prior to final commitment to the developer, and schematic plans).

4. Chancellor's Office staff, in consultation with the campus, will retain professionals with expertise in the development and legal aspects of the proposed project. It has been suggested that they be selected in a manner similar to that used for design architects and engineers. (A pool of qualified professionals will be developed that will permit selection based on the unique character of the specific project.) The cost of these services will be paid for by the campus with the expectation of reimbursement by the developer. Also, consideration is being given to hiring of full-time staff within the Chancellor's Office to provide a portion of the needed expertise.

5. The selection of a developer must involve an appropriate form of open solicitation and competitive selection. The process will vary from project to project and every effort will be made to accommodate the approach desired by the campus. However, close coordination with Chancellor's Office staff is necessary in the review of the process and specific solicitation documents (to ensure compliance with law and policy). The campus will conduct the selection process. Prior to executing any agreement which permits the developer to proceed with construction, the campus must seek trustee approval of the specific development plan. The General Counsel's Office will work with the campus in determining what documents should be presented to the trustees for review and approval.

The following resolution is recommended:

RESOLVED, By the Board of Trustees of the California State University, that the policy and procedures for public/private (public /public) real estate partnerships as contained in Agenda Item 6 of the March 22-23, 1994, meeting of the Trustees' Committee on Finance be adopted as general policy governing these development projects at the campuses of the CSU.

Appendix II:

Acknowledgment on Report Contributions

The attached appendix cites the various policy and budget experts consulted in the development of this report.

ACKNOWLEDGMENT

This report has richly benefited from the work of Gary Adams, the consultant who drafted the "Report On Collaborative Facilities Projects." Supervision of the report was conducted by Mr. Patrick J. Lenz, Vice Chancellor Fiscal Policy, Chancellor's Office, California Community Colleges, and Mr. Fred Harris, Administrator, Facilities Planning and Utilization Unit, Chancellor's Office, California Community Colleges.

Other program and budget experts consulted in the writing of this report are:

- Mr. Fred Hummel, State Architect; State of California.
- Ms. Elvyra San Juan; Chief of Facilities Planning; CSU Chancellor's Office.
- Ms. Meredith Michaels, Director of Budget; UC Office of the President.
- Mr. Duwayne Brooks, Director of School Facilities Planning; State Department of Education. Designated Representative for State Superintendent on the State Allocation Board.
- Mr. Jim Bush, Assistant Director of School Facilities Planning; State Department of Education. Member, Sierra Community College District Board of Trustees.
- Ms. Luisa Parks, Deputy Executive Officer; State Allocation Board.
- Ms. Audrey Edwards, Manager of Special Programs, Office of Public School Construction; Department of General Services.
- Ms. Sandy Westerinen, School Construction Analyst- Eligibility Team, Office of Public School Construction; Department of General Services.
- Mr. Bill Storey, Chief Policy Analyst; California Postsecondary Education Commission.
- Mr. Chuck Nicol, Principal Fiscal & Program Analyst; Legislative Analyst's Office.
- Mr. Dale Clevenger, Specialist, Facilities Planning & Utilization, Chancellor's Office; California Community Colleges.
- Mr. Walt Reno, Specialist, Facilities Planning & Utilization, Chancellor's Office; California Community Colleges.
- Mr. Richard Walton, Specialist, Facilities Planning & Utilization, Chancellor's Office; California Community Colleges.
- Ms. Gin Yang-Staehlin, Specialist, Facilities Planning & Utilization, Chancellor's Office; California Community Colleges.
- Ms. Sandra Silberstein; Community College Advocates.
- Mr. Paul Holmes; Holmes, Rupert & Murdoch Associates.
- Mr. Bud Allen; Community College Services Group.

Appendix III:

Sources

The attached appendix cites written reports and Website information or sources consulted in the development of this report.

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